

Aurobindo Pharma Limited

BUY

Sector: Pharmaceuticals

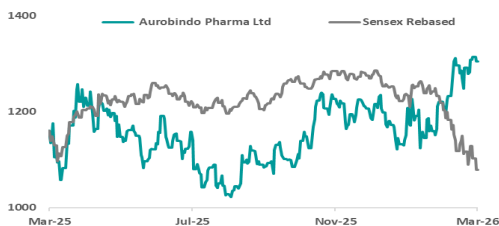
01st April, 2026

Key Changes	Target ▲	Rating ●	Earnings ▼	Target	Rs. 1,502
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	ARBP:IN	71,948	AUROPHARMA	524804	12 Months
				CMP	Rs. 1,303
				Return	+15%

Data as of: 30-Mar-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	75,690		
52 Week High — Low (Rs.)	1,359 - 994		
Enterprise Value (Rs. cr)	76,990		
Outstanding Shares (cr)	58.1		
Free Float (%)	48.0		
Dividend Yield (%)	0.3		
6m average volume (cr)	0.1		
Beta	1.1		
Face value (Rs.)	1.0		
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	51.8	51.8	51.8
FII's	14.4	14.2	14.0
MFs/Institutions	26.9	27.6	27.7
Public	6.2	5.8	5.7
Others	0.7	0.6	0.8
Total	100.0	100.0	100.0
Promoter Pledge	17.1	17.5	17.5
Price Performance	3 Month	6 Month	1 Year
Absolute Return	8.7%	20.3%	12.4%
Absolute Sensex	-15.1%	-10.4%	-7.1%
Relative Return	23.7%	30.7%	19.5%

*over or under performance to benchmark index



Y.E March (cr)	FY26E	FY27E	FY28E
Sales	33,474	37,652	40,710
Growth (%)	5.5	12.5	8.1
EBITDA	6,813	7,810	8,646
EBITDA Margin (%)	20.4	20.7	21.2
PAT Adjusted	3,724	4,455	5,014
Growth (%)	6.8	19.6	12.5
Adjusted EPS	64.1	76.7	86.3
Growth (%)	6.8	19.6	12.5
P/E	18.1	15.2	13.5
P/B	1.9	1.7	1.5
EV/EBITDA	10.1	8.8	7.9
ROE (%)	10.2	11.2	11.3
D/E	0.2	0.2	0.2

Growth Visibility Improves

Aurobindo Pharma Ltd (ARBP) is a leading vertically integrated pharmaceutical company. Its business units comprise formulations, custom synthesis, peptides, aurozymes, research and development (R&D) and active pharmaceutical ingredients (API).

- In Q3FY26, consolidated revenue grew 8.4% YoY to Rs. 8,646cr, driven by strong performance in Europe and stable performance in the US.
- US revenue rose 2.2% YoY to Rs. 3,739cr, supported by 17.0% YoY growth in injectable sales and nine new launches.
- Europe revenue increased 27.4% YoY to Rs. 2,703cr, led by effective operational execution, a broadening product portfolio and improved supply capabilities.
- The growth market declined marginally by 0.9% YoY to Rs. 865cr, driven by stable volumes and a diversified commercial base across markets.
- EBITDA increased 8.9% YoY to Rs. 1,773cr, while EBITDA margin grew 10bps YoY to 20.5%, supported by stable gross margins and operating efficiencies. Management expects the EBITDA margin to be in the 20-21% range for FY26.
- Reported profit after tax (PAT) was Rs. 910cr, a 7.6% YoY increase, after accounting for a one-time expense of Rs. 65cr due to amendments to the labour code.

Outlook & Valuation

ARBP is accelerating its growth momentum by leveraging its extensive generic portfolio and expanding into high-margin specialty and injectable segments. The company is focusing on the US market with a mix of complex generics and unique products, which is expected to result in a more balanced revenue mix. Additionally, the development of injectable and specialty products is expected to unlock new growth opportunities as they enter the commercialisation stage. The company's formulation businesses in Europe and emerging markets remain stable, driven by a portfolio refresh and increased market access. Furthermore, ARBP's efforts to enhance its quality systems and manufacturing capabilities are expected to improve execution consistency. Therefore, **we maintain our rating on the stock at BUY, with a rolled-forward target price of Rs. 1,502, based on 17x FY28E Adj. EPS.**

Quarterly Financials Consolidated

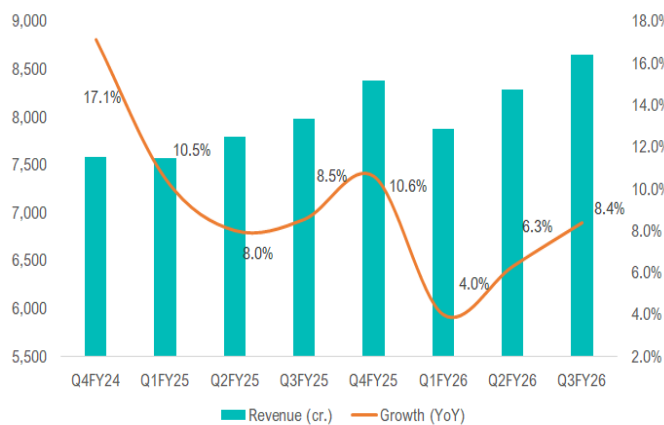
Rs.cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Sales	8,646	7,979	8.4	8,286	4.3	24,800	23,342	6.2
EBITDA	1,773	1,628	8.9	1,678	5.7	5,055	4,814	5.0
Margin (%)	20.5	20.4	10bps	20.3	20bps	20.4	20.6	20bps
EBIT	1,309	1,209	8.2	1,249	4.8	3,755	3,609	4.1
PBT	1,339	1,200	11.6	1,276	4.9	3,821	3,731	2.4
Rep. PAT	910	846	7.6	848	7.3	2,582	2,581	0.1
Adj PAT	975	846	15.3	848	15.0	2,647	2,582	2.5
Adj. EPS (Rs)	16.8	14.4	16.3	14.6	15.0	45.6	44.1	3.4



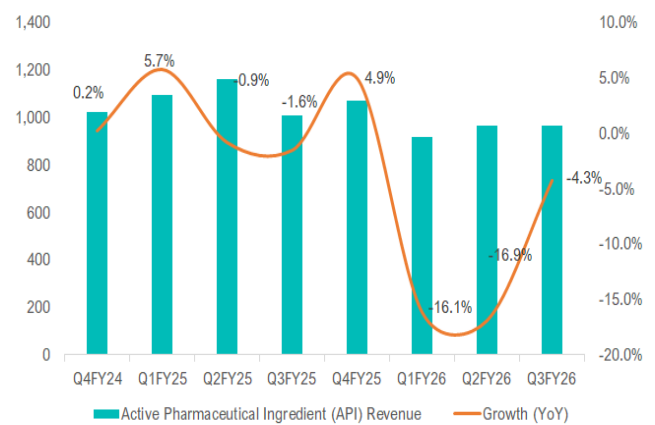
Key concall highlights

- During Q3FY26, ARBP obtained final United States Food and Drug Administration (USFDA) approval for 7 Abbreviated New Drug Applications (ANDAs), comprising 2 ANDAs that had previously received tentative approval. The company's ANDA filing status with the USFDA as of Q3FY26 is as follows: 879 filings, 719 final approvals and 31 tentative approvals.
- The company's R&D expenditure in Q3FY26 was Rs. 409cr, primarily focused on the development of biosimilars and specialty products.
- The China oral solid dosage facility is currently ramping up towards a capacity of 2 billion units, supported by recent regulatory approvals, including 10 European approvals and 3 local product approvals. The facility is expected to achieve EBITDA breakeven in Q4FY26 and make a significant contribution to the company's EBITDA in the next year.
- The company expects its PEN-G output to surpass 10,000mn tonne in FY27, driven by the ongoing scale-up of capacity.
- Management expects FY29 to be an inflection point for its biotech business, with investments translating into earnings.
- FY27 capex guidance is \$150-200mn, with TheraNym Biologics accounting for \$120-130mn of the total, some of which has already been incurred.

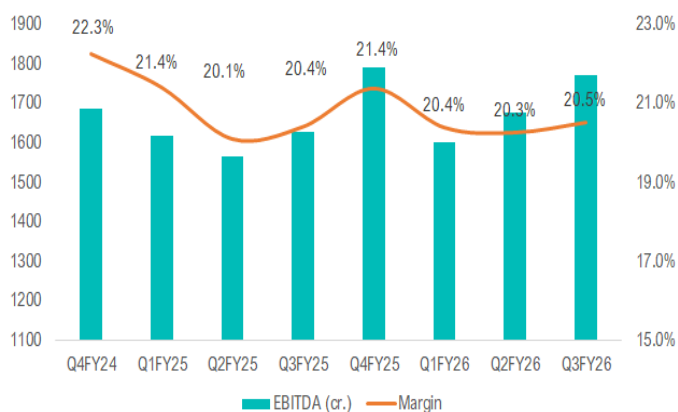
Revenue



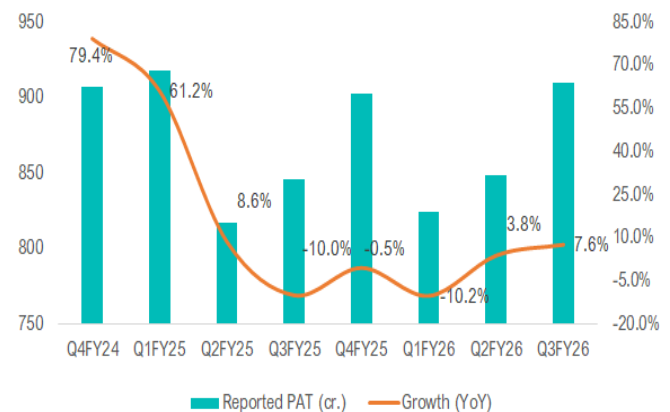
API Revenue



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates			Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E
Revenue	34,756	37,579	33,474	37,652	40,710	-3.7	0.2
EBITDA	7,282	7,965	6,813	7,810	8,646	-6.4	-2.0
Margins (%)	21.0	21.2	20.4	20.7	21.2	-60bps	-50bps
Adj. PAT	4,011	4,457	3,724	4,455	5,014	-7.1	0.0
EPS	69.1	76.7	64.1	76.7	86.3	-7.1	0.0



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	29,002	31,724	33,474	37,652	40,710
% change	16.7	9.4	5.5	12.5	8.1
EBITDA	5,843	6,605	6,813	7,810	8,646
% change	55.5	13.0	3.1	14.6	10.7
Depreciation	1,522	1,649	1,869	1,910	2,045
EBIT	4,321	4,956	4,944	5,900	6,602
Interest	290	457	445	419	404
Other Income	-209	-32	-70	-5	-5
PBT	4,380	5,066	4,879	5,940	6,685
% change	67.7	15.7	-3.7	21.8	12.5
Tax	1,211	1,583	1,220	1,485	1,671
Tax Rate (%)	27.6	31.2	25.0	25.0	25.0
Reported PAT	3,169	3,484	3,659	4,455	5,014
PAT att. to common shareholders	3,173	3,486	3,659	4,455	5,014
Adj.*	192	-	65	-	-
Adj. PAT	3,365	3,486	3,724	4,455	5,014
% change	74.6	3.6	6.8	19.6	12.5
No. of shares (cr)	58.6	58.1	58.1	58.1	58.1
Adj EPS (Rs.)	57.4	60.0	64.1	76.7	86.3
% change	74.6	4.5	6.8	19.6	12.5
DPS (Rs.)	4.5	-	7.0	7.0	7.0

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	4,691	5,133	5,528	6,365	7,058
Non-cash adj.	-1,271	700	815	316	393
Other adjustments	-	-	-	-	-
Changes in W.C	-985	-1,908	-696	-1,268	-1,100
C.F. Operation	2,435	3,925	5,648	5,412	6,352
Capital exp.	-2,720	-1,965	-2,276	-2,259	-2,402
Change in inv.	-628	-475	-1,393	-2,056	-2,986
Other invest.CF	-908	564	-	-	-
C.F - Investment	-4,256	-1,876	-3,670	-4,315	-5,388
Issue of equity	-	-	-	-	-
Issue/repay debt	1,315	1,494	-596	-8	-5
Dividends paid	-264	-1	-407	-407	-407
Other finance.CF	-251	-1,373	-445	-419	-404
C.F - Finance	800	120	-1,447	-833	-815
Chg. in cash	-1,021	2,169	531	264	149
Closing Cash	3,393	5,569	6,100	6,364	6,513

Balance Sheet

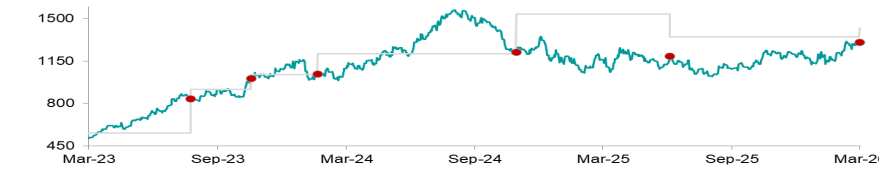
Y.E March (Rs. Cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	3,393	5,569	6,100	6,364	6,513
Accts. Receivable	4,817	5,746	6,193	7,003	7,653
Inventories	9,808	10,544	11,556	13,141	14,187
Other Cur. Assets	6,187	5,304	6,227	8,155	10,928
Investments	227	206	258	309	371
Gross Fixed As-sets	12,918	14,883	17,159	19,418	21,820
Net Fixed Assets	11,546	12,189	12,510	12,786	13,068
CWIP	2,739	3,266	3,352	3,426	3,501
Intangible Assets	4,077	4,239	4,647	4,851	5,076
Def. Tax -Net	1,213	1,293	1,159	1,411	1,588
Other Assets	1,065	1,429	1,488	1,552	1,622
Total Assets	45,072	49,785	53,489	58,997	64,508
Current Liabilities	8,019	8,302	9,286	10,688	11,547
Provisions	226	283	382	390	397
Debt Funds	6,315	7,942	7,346	7,338	7,333
Other Liabilities	661	611	576	635	676
Equity Capital	59	58	58	58	58
Res. & Surplus	29,784	32,595	35,848	39,896	44,503
Shareholder Funds	29,843	32,653	35,906	39,954	44,561
Minority Interest	8	-6	-6	-6	-7
Total Liabilities	45,072	49,785	53,489	58,997	64,508
BVPS	509	562	618	688	767

Ratio

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	20.1	20.8	20.4	20.7	21.2
EBIT margin (%)	14.9	15.6	14.8	15.7	16.2
Net profit mgn.(%)	10.9	11.0	10.9	11.8	12.3
ROE (%)	10.6	10.7	10.2	11.2	11.3
ROCE (%)	11.9	12.2	11.4	12.5	12.7
W.C & Liquidity					
Receivables (days)	60.6	66.1	67.5	67.9	68.6
Inventory (days)	284.1	295.4	306.6	307.7	310.3
Payables (days)	129.0	117.4	131.4	142.4	146.0
Current ratio (x)	2.0	1.9	1.9	2.1	2.2
Quick ratio (x)	0.9	1.0	1.0	1.1	1.3
Turnover & Leverage					
Gross asset T.O (x)	2.4	2.5	2.4	2.4	2.2
Total asset T.O (x)	0.7	0.7	0.6	0.7	0.7
Int. covge. ratio (x)	14.9	10.8	11.1	14.1	16.4
Adj. debt/equity (x)	0.2	0.2	0.2	0.2	0.2
Valuation					
EV/Sales (x)	2.3	2.2	2.1	1.8	1.7
EV/EBITDA (x)	11.4	10.6	10.1	8.8	7.9
P/E (x)	19.0	19.3	18.1	15.2	13.5
P/BV (x)	2.1	2.1	1.9	1.7	1.5



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
24-Aug-22	BUY	645
01-Mar-23	BUY	554
23-Aug-23	HOLD	915
17-Nov-23	HOLD	1,037
19-Feb-24	BUY	1,209
27-Nov-24	BUY	1,540
04-Jul-25	BUY	1,348
01-Apr-26	BUY	1,502

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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